

YOY %  
Change**€73.1m**

Turnover Recorded

**6**

Hospitality Assets Sold

**5,630**

Rooms Under Construction



% Change

Central Bank  
(QB2 – April '22)

2021E 2022F 2023F

GDP 13.5 6.1 5.5

Personal Consumption 5.7 7.4 4.7

Modified Domestic Demand 6.5 4.8 4.3

Unemployment Rate 6.3 6.0 5.4

HICP 2.4 6.5 2.8

Source: Central Bank of Ireland, Quarterly Bulletin No. 2 2022

**Q1 2022 SHOWS A RENEWED INVESTOR APPETITE FOR HOSPITALITY ASSETS IN A “POST-PANDEMIC” TOURISM MARKET:**

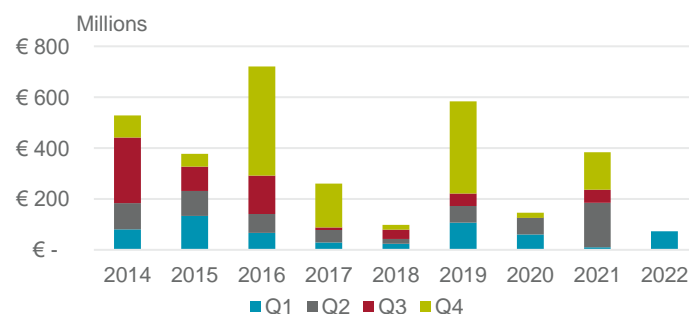
Robust transaction activity was recorded for the hospitality sector in the opening three months of the year, with a total of €73.1m achieved across 6 hospitality assets. This level of activity represents a significant improvement on the mere €9.8m recorded in Q1 2021, but importantly also represents an increase on the level recorded pre-pandemic in Q1 2020 of just shy of €60m. The largest transaction of the opening quarter was Dublin Loft Company's sale of the Hendrick Hotel Smithfield. The boutique hotel was acquired by US investment, TPG, for a price in the region of €37.5m. Of particular interest, the Hendrick Smithfield bears the distinction of being Ireland's first LEED gold hotel. Second to this, was the sale of Ballymascanlon House Hotel in Dundalk, Co Louth. The four-star hotel was acquired by Davy Real Estate for the TMR Hotel Collection, assembled by Austrian investor, Thomas Röggla.

**DEVELOPMENT ACTIVITY:**

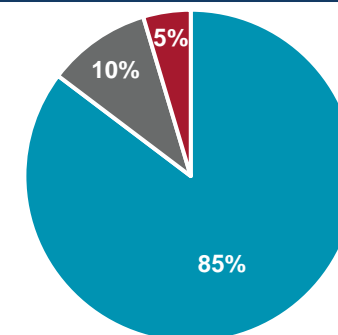
At the end of the opening quarter, there were approximately 5,630 hospitality servicing beds under construction, 89% or 5,025 of which were located in Dublin. Of the total beds under construction, 79% can be attributed towards hotel use, while 21% are aparthotels. Additionally, 85% are new builds, 10% redevelopments and the remaining 5% are by way of extensions. The hotel of Travelodge Townsend Street, located in Dublin 2, is the largest hospitality project under construction presently, totaling 393 new rooms. Following this, also in Dublin, the Staycity Aparthotel on Little Mary Street and Motel One Hotel in Dublin 1 both have surplus of 300 rooms under construction, approximately 340 and 310, respectively. The opening quarter recorded construction complete on 163 rooms in Dublin One Hotel, 246 rooms in StayCity Apartments Tivoli Theatre and an extension of 38 additional rooms in Cashel Palace Hotel.

**OUTLOOK:**

While the near-term prospects for the hospitality sector do contain some uncertainty, market insight points to strengthening investor interest. A recent European Hotel Operator Report conducted by Cushman & Wakefield, notes that despite the complexity of hospitality assets operations and their seasonality, hospitality resorts have gained popularity among investors, with 70% of the survey respondents now considering them to be more attractive than before COVID-19. The report suggest that this is likely to be driven by the expected return of long-term growth prospects of leisure travel. Additionally, anecdotal evidence suggests that in light of the war in Ukraine, the geographical focus for investors will be concentrated on Western Europe, with markets such as the United Kingdom & Ireland coming into focus. As the summer season begins, the market looks set to witness an upsurge in activity, however, the level of which international tourism will return by remains unknown.

**Total Capital Flows by Quarter, Hospitality Assets, 2014 - 2022****Rooms Under Construction Q1 2022**

- New Build
- Redevelopment
- Extension



## TOP TRANSACTIONS, Q1 2022

PROPERTY	ASSET TYPE	STAR RATING	PURCHASER	PRICE Approx. €
Hendrick Hotel, Smithfield, Dublin	Hotel	N/A	TPG	€37.5m
Ballymascanlon House Hotel, Louth	Hotel	4	Thomas Roeggla	€14m
Clonmel Park Hotel, Tipperary	Hotel	4	Talbot Hotels	€7.5m
Latchfords Hotel, Baggot Street, Dublin	Hotel	N/A	Private Irish	€6.1m
Celbridge Manor Hotel, Kildare	Hotel	4	Coldec Investments	€5.5m

## TOP UNDER CONSTRUCTION, Q1 2022

PROPERTY	ASSET TYPE	NUMBER OF ROOMS	EXPECTED COMPLETION
Travelodge Townsend Street, Dublin 2	Hotel	393	Q2 2022
Staycity Aparthotel, Little Mary Street, Dublin 7	Aparthotel	340	Q2 2022
Motel One, Dublin 1	Hotel	310	Q3 2022
Ruby Molly Dublin, Dublin 7	Hotel	273	Q3 2023
Great Strand Street, Dublin 1	Aparthotel	269	Q2 2022

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